

By: Middleton

S.B. No. 461

A BILL TO BE ENTITLED

AN ACT

relating to disclosure of certain relationships with local government officers and vendors.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 176.001(1), (1-a), (2), and (2-d), Local Government Code, are amended to read as follows:

(1) "Agent" means a third party who undertakes to transact some business or manage some affair for another person by the authority or on account of the other person. The term includes a subcontractor and an employee.

(1-a) "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. ~~[The term does not include a connection based on:~~

~~[(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;~~

~~[(B) a transaction conducted at a price and subject to terms available to the public; or~~

~~[(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.]~~

(2) "Family member" means a person related to another person within the third ~~[first]~~ degree by consanguinity or the

1 second degree by affinity, as determined under [~~described by~~]
2 Subchapter B, Chapter 573, Government Code.

3 (2-d) "Investment income" means dividends, capital
4 gains, or interest income generated from:

5 (A) a personal or business:

6 (i) checking or savings account;

7 (ii) share draft or share account; or

8 (iii) other similar account;

9 (B) a personal or business investment; [~~or~~]

10 (C) a personal or business loan; or

11 (D) a trust.

12 SECTION 2. The changes in law made by this Act apply only to
13 an event requiring disclosure that occurs on or after January 1,
14 2026. An event requiring disclosure that occurs before that date is
15 governed by the law applicable to the event immediately before that
16 date, and the former law is continued in effect for that purpose.

17 SECTION 3. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2025.